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October 30, 2007

TO: Each Supervisor

FROM: Bruce A. Chernof, M.D.
Director and Chief Medical Officer

SUBJECT: **DHS PARTICIPATION IN MEDICARE MODERNIZATION
ACT (MMA) SECTION 1011 PROGRAM**

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

Robert G. Splawn, MD
Senior Medical Director

On January 19, 2006, I submitted the Department's first status report on our progress to enroll and participate in the MMA Section 1011 program which provides partial federal reimbursement for emergency services to undocumented immigrants. This is the ninth in a series of periodic reports to inform your Board of our participation in this program.

On August 28, 2007 the Department received approximately \$1.3 million in reimbursement for Section 1011 program services provided during the First Quarter Federal Fiscal Year (FFY) 2007. Total Section 1011 program reimbursement to date (for the six participating quarters) exceeds \$14.4 million. Please see the attached Section 1011 billing and reimbursement schedule for more information.

The Department participated successfully in its first Section 1011 On-Site Review conducted at the LAC+USC Medical Center during the week of October 1, 2007. The audit was conducted by the CMS fiscal intermediary, TrailBlazer Health Enterprises, LLC (TrailBlazer). The Department will review the findings when the report is issued and take appropriate follow-up action. Details of the review will be included in a future status report.

As briefly discussed in my last report, the Department is investigating the decline in total reimbursement reported for the past two paid quarters (the Fourth Quarter FFY 2006 and the First Quarter FFY 2007) and is redoubling its efforts to ensure that Section 1011-eligible patients are identified and appropriate services billed to the Section 1011 program.

The Department is also continuing its work with County Counsel and outside legal counsel to determine the impact of Medi-Cal Redesign on receipt of Section 1011 reimbursement and whether the County can accept both Medi-Cal Redesign and MMA Section 1011 payments.

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The Department will continue to provide periodic reports to the Board on its participation in the Section 1011 program.

Please let me know if you have questions or require additional information.

BAC:lg (1FORDIMMA SEC 1011)BOARD STATUS REPORTS\FINAL REPORTS\STATUS REPORT NO. 9 (10-30-07)
610:001

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
MMA SECTION 1011 BILLING AND REIMBURSEMENT SUMMARY
Fourth Quarter FFY 2005 – Fourth Quarter FFY 2006
(Dates of Service July 1, 2005 through September 30, 2006)

Federal Fiscal Year (Quarter)	Dates of Service	Total Claims Submitted	Total Gross Charges (Billed)	Total Billed Days	Average Reimbursement/Claim	Payment Date	Total Reimbursement¹
Fourth Quarter FFY 2005	July 1, 2005 to September 30, 2005	903	\$12,412,965	932	\$2,619	May 29, 2006	\$2,364,836 ²
First Quarter FFY 2006	October 1, 2005 to December 30, 2005	1,417	\$15,225,675	1,137	\$1,705	August 28, 2006	\$2,416,185 ²
Second Quarter FFY 2006	January 1, 2006 to March 31, 2006	1,048	\$11,930,683	1,714	\$2,974	November 27, 2006	\$3,117,348 ²
Third Quarter FFY 2006	April 1, 2006 to June 30, 2006	910	\$12,858,944	1,780	\$3,507	February 26, 2007	\$3,191,822 ²
Fourth Quarter FFY 2006	July 1, 2006 to September 30, 2006	835	\$ 9,738,071	1,443	\$2,508	May 28, 2007	\$2,094,219
First Quarter FFY 2007	October 1, 2006 to December 31, 2006	467	\$ 5,851,230	818	\$2,464	August 28, 2007	\$1,291,042
Total-to-Date		5,580	\$68,017,568	7,824	\$2,594³		\$14,475,452⁴

1. Reimbursement is based on a combined Medicare Cost Report-TrailBlazer methodology that has provided an average reimbursement rate to date of 21.3%
2. Paid claims are subject to eligibility compliance and medical review that can result in repayment of a paid claim denied by TrailBlazer as part of its compliance and medical review final determination process
3. Average reimbursement per claim reflects quarterly variances in average length-of-stay per claim (Note: A sample of Statewide Section 1011 provider payments per claim for FFY 2006 averaged \$1,601)
4. If it is determined that provisions of the proposed State Medi-Cal Redesign (or other reform proposals) preclude claiming for Section 1011 services the Department will make arrangements to return some or all of the Section 1011 payments received